

ACTION PLAN 1

S Specific **M** Measurable **A** Achievable **R** Relevant **T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

Greenway CJDR to increase the year end accrued vehicle pack reserve from \$960k in 2020 to \$2.5m in 2021.

BOTTOM LINE: Benefits of Achieving Your Goal

An additional \$650k in doc fees
An Additional \$400k in Luxcare reserves
And additional \$500k in VSC reserves
Increased net profits to achieve 6.0%+ net on sales.

Consequences of Not Achieving Your Goal

Continue to maintain the same pvr on vehicle sales without the additional doc fees and warranty packs

1/1/21

When will you start?

How will you gauge your progress? When? Using which metrics?

Tracking of the vehicle pack and waar reserves is simply based on volume of vehicle sales and VSC & LuxCare policies sold in F&I. I will monitor monthly after the FS is completed and review warranty reporting to gauge the progress.

What specific actions will you take to achieve your goal? Who can help you?

1. Increase the pre-delivery service fee from \$799.95 to \$899.95.
2. Increase the documentation fee from \$199.50 to \$249.50
The \$150 increase per retail unit will be added to a reserve account, accrued throughout the year and realized on the December FS.
3. Increase the VSC pack from \$300 to \$400
4. Increase the LuxCare paint/fabric protection pack from \$100 to \$175
5. Preload LuxCare on every new vehicle at pdi for a flat charge of \$50 and then itemize it on the buyers order for \$799 from the sales desk prior to F&I. Each purchase will come with the 3 year policy warranty for a cost of \$265 and can be upgraded in F&I for the interior warranty and extended years. (unless the customer negotiates it out of the deal upfront)
6. We will set a 50% penetration target for LuxCare for the desk managers and will review the previous days' performance in each save-a-deal.
7. F&I payplans will be restructured so the VSC penetration bonus starts at 50% vs. 40%
8. Desk managers will have a small % increase in their payplans based on pvr to drive the same results as before these changes.

Potential Challenges?

Sales managers decrease in moral with larger packs

Customer objections

F&I concerns with larger product packs and VCS penetration %s

Potential Solutions?

Sales managers will be paid on the \$150 increase in doc fees at the end of the year.

Explain the research of the average fees in the market and train the staff to explain what these fees represent.

With preloading LuxCare, this gives F&I over \$500 of build in profit upfront on 50% of the deals.